GOVERNMENT OF INDIA
COAL
LOK SABHA

UNSTARRED QUESTION NO:346
ANSWERED ON:24.02.2010
ROYALTY RATES OF COAL
Dashmunsi Deepa

Will the Minister of COAL be pleased to state:

(a) whether the Union Government proposes to revise royalty rates of coal;

(b) if so, the details thereof and if not, the reasons therefor;

(c)whether the coal bearing States have suffered any loss on account of non-revision of rates of coal royalty during the last three years;

(d)if so, the details thereof, State-wise;

(e)whether the Government proposes to compensate the States for the said loss; and

(f)if so, the details thereof, State-wise and if not, the reasons therefor?

Answer

MINISTER OF STATE (IC) IN THE MINISTRY OF COAL AND MINISTER OF STATE (IC) IN THE MINISTRY OF STATISTICS & PROGRAMME IMPLEMENTATION (SHRI SRIPRAKASH JAISWAL)

(a)&(b): Yes, Sir. The Government have constituted a new Study Group under the Chairmanship of Additional Secretary (Coal) on 04.02.2010 for considering the issue of next revision of royalty rates of coal and lignite. The royalty rates on coal and lignite were last revised w.e.f. 01.08.2007.

(c)&(d): Section 9(3) of the Mines and Minerals (Development & Regulation) Act, 1957 empowers the Central Government to enhance or reduce the royalty rates in respect of any mineral by notification in the Official Gazette with effect from such date a s may be specified in the notification. The proviso to Section 9(3) of the said Act prevents the Central Government from enhancing the rate of royalty in respect of any mineral more than once during any period of three years. Since the royalty rates on coal and lignite were last revised w.e.f. 01.08.2007, the rates could not have been enhanced again during the interim period in view of the restriction imposed under the proviso to Section 9(3) cited above. Therefore, the question of loss on account of non-revision of royalty rates on coal during the last three years does not rise.

(e)&(f): Do not arise in view of the reply given to parts (c) & (d) above.